**THRYBERGH PARISH COUNCIL**

**INTERNAL AUDIT REPORT 2024/2025 FINANCIAL YEAR**

1. I have completed an audit of the internal controls of Thrybergh Parish Council in respect of the financial year ended 31st March 2025. Having completed the audit, I have been able to sign the Annual Report by the Internal Auditor in accordance with the requirements of the Local Audit and Accountability Act 2014 (The Accounts and Audit Regulations 2015) and in so doing have noted that the Council conducts its affairs in a sound manner.

2. In carrying out the audit I have followed the suggested approach to Internal Audit Testing as defined by the National Audit Office and can confirm that I have acted independently in carrying out the Audit.

3. Internal Control 1 - Proper Book-keeping

(a) Is the cashbook (receipts and payments) maintained and up to date?

Yes. The Accounts continue to be kept in good order throughout the year with a good system of cross-referencing. The Parish Council continues to subscribe to the Edge IT accounts system.

(b) Is the cash book arithmetic correct?

Yes. An arithmetical check has been carried out in accordance with the recommendations of audit practice. The use of the computerised accounts system (Edge IT) ensures that the cash book is routinely balanced with the bank statement.

4. Internal Control 2 - Standing Orders, Financial Regulations and Payment Controls

(a) Has the Council formally adopted Standing Orders and Financial Regulations?

Yes. The Parish Council continues to operate based on a comprehensive set of Standing Orders and Financial Regulations. These documents are reviewed on a regular basis, drawing upon the contents of the model documents issued by the National Association of Local Councils.

(b) Has a Responsible Financial Officer been appointed with specified duties?

Yes, the Clerk is also fulfilling the role of Responsible Financial Officer and there is reference to the R.F.O.'s specific duties in the Financial Regulations.

(c) Have items or services above a de-minimis amount been competitively purchased?

Yes. There is no evidence to suggest that the Council is not achieving good value for money from its contracts for the supply of goods or materials, or for the execution of works.

(d) Are payments in the cashbook supported by invoices, authorised and minuted?

Following a complete review of the financial records it is evident that payments are supported by invoices, authorised and are recorded in the minutes of meetings appropriately.

(e) Has VAT on payments been identified, recorded and reclaimed?

Yes. As part of this internal audit, the VAT on payments has been identified and recorded correctly in all cases. It is also appropriate to note that the claims for VAT repayment continue to be made in a very good, accurate and timely manner.

(f) Is Section 137 expenditure separately recorded and within statutory limits?

There is a good process for separately recording Section 137 expenditure. The overall total amount of Section 137 expenditure remains within the statutory limits.

5. Bank Accounts

The Parish Council banks with the Co-operative Bank. The current account is the principal account in use. There were no transactions affecting the two other accounts, except for the credit of interest. It is noted that the Parish Council will soon review the use of these two interest-earning accounts.

6. Wages

Appropriate records are maintained for each employee. The correct amounts have been paid, including payments to HM Revenues and Customs. As part of this internal audit, these amounts have been checked and have been found to be correct.

The appropriate employer and employee contributions are being made to the South Yorkshire Pension Fund each month. It is noted that one employee has chosen not to be part of the pension scheme.

7. Financial Year End

A Statement of Accounts is produced for the External Auditor, which shows last year’s figures (2023/2024), as well as this year’s (2024/2025). A summary is also produced, recording the Parish Council’s bank accounts and the individual balances at the end of the financial year. Two of the bank accounts have very low balances and their use is being reviewed (reference paragraph 5 above).

8. Risk Management Arrangements

The carrying out of an annual risk assessment is part of the arrangements for Corporate Governance and appropriate records are kept and reviews undertaken.

It is evident that insurance cover is reviewed on an annual basis and the insurance policy is kept up to date. The arrangement with the insurance company covers a continuous period of three years.

9. Councillors’ Declarations of Interest at meetings

The minutes of the Parish Council’s meetings correctly record the instances when Members of Council declare an interest they have in any matters which are being considered at the meetings. The relevant legislation is stated at Section 31 and Section 32 of the Localism Act 2011. A specific example occurred when the Parish Council considered the need for emergency maintenance work within the Parish Council-owned woodlands. This single item was discussed at several meetings and at the financial year-end (31 March 2025), further consideration was required and the matter had not yet been resolved.

The Councillor who had declared an interest in this matter was able to offer an expert and valuable opinion on the nature and scope of the works required, with the safety of the public a paramount concern for the Parish Council. After consideration of a report obtained from a consultant, the Parish Council sought to invite tenders for the work from appropriate companies, one of which was the business of the Councillor. It is important that the Councillor should again declare an interest in the matter and leave the meeting altogether, when both the financial aspect of the matter and the awarding of the contract to a specific contractor are under consideration.

These rules are in place for good reason. The individual Councillor is first of all protected by having made the required declaration of interest and leaving the meeting. The Councillor is therefore not party to the decision made. Additionally, any interested observers, with no prior knowledge of the matter nor association with the Parish Council, should be able to make their observations and be confident that there is no undue pressure nor inappropriate influence being exerted upon the Parish Council members at the time their decision is made.

10. The Parish Council’s Balances and Reserves

The Parish Council balances and reserves continue to reduce. This year, in accordance with the contents of the National Association of Local Councils Practitioners’ Guide (2025 edition, issued by the Small Authorities Proper Practices Panel; at paragraph 5.208) Thrybergh Parish Council is providing a written report to the External Auditor because the general reserves as at 31 March 2025 (the end of the 2024/25 financial year) amount to less than three months of net revenue expenditure. The provision of this report is not a mandatory duty, yet in doing so the Parish Council is adhering to guidance and best practice.

The precept has been increased significantly for the 2025/26 financial year. Having made a similar decision for the 2024/25 financial year, the Parish Council is acutely aware of the financial burden being placed upon residents who pay this taxation.

The principal assets of the Parish Council (its employees and its property) demand the largest share of annual expenditure. Any reduction in these costs is likely to have a negative impact upon the services provided by the Parish Council.

During the 2024/25 financial year, there was unexpected expenditure in excess of £7,000 (net of VAT), due in the main either to repairs of older items within the Parish Hall, or the result of accidental or deliberate damage to property. Such expenditure, by its very nature, is unpredictable. Therefore, the Parish Council should remain vigilant in the care and routine inspection of its assets, in order to minimise this burden on its budget.

As at the end of the 2024/25 financial year, one item of unexpected expenditure remained an issue to be continued and funded in the 2025/26 financial year : the maintenance work in respect of several trees within the woodlands at Hollings Lane. The Parish Council will be aware of the contents of the consultant’s report : that the trees should continue to be inspected at intervals of time and that some works should be undertaken during the Winter months. It is suggested, therefore, that the Parish Council allocate a sum of money for this woodland maintenance annually in future budgets.

Within the Parish Council’s financial risk management document, there is mention of an earmarked reserve within the budget, for repairs to the Parish Hall. The Parish Council is continuing its endeavours to increase the level of the general reserves. The allocation of money to an earmarked reserve for repairs to the Parish Hall should happen after the general reserves have reached an appropriate amount.

11. Recommendation

The Parish Council has taken action in response to the recommendation of the 2022/23 internal audit report by increasing the precept significantly for both the 2024/25 and the 2025/26 financial years.

The Parish Council remains aware that a year-on-year increase in the precept continues to be necessary in order to replenish the general reserves. Therefore, there is no new recommendation to be made.

12. Conclusion

I would like to thank the Parish Clerk for his help and co-operation with the Audit. There are no specific items on which I wish to submit a special report.

Richard Bellamy

Internal Auditor

30th May 2025